

## Message Text

LIMITED OFFICIAL USE

PAGE 01 EC BRU 05091 100219Z

63

ACTION EUR-12

INFO OCT-01 IO-10 ISO-00 CIAE-00 DODE-00 PM-03 H-02 INR-07

L-03 NSAE-00 NSC-05 PA-01 PRS-01 SP-02 SS-15 USIA-06

AID-05 CEA-01 COME-00 EB-07 FRB-03 CIEP-01 STR-04

TRSE-00 LAB-04 SIL-01 SAM-01 OMB-01 /096 W

----- 109849

R 090859Z JUN 75

FM USMISSION EC BRUSSELS

TO SECSSTATE WASHDC 9003

INFO AMEMBASSY MADRID

AMEMBASSY OSLO

AMEMBASSY STOCKHOLM

USMISSION GENEVA

USMISSION OECD PARIS

LIMITED OFFICIAL USE EC BRUSSELS 05091

E.O. 11652: N/A

TAGS: ELAB, EGEN, EEC

SUBJECT: MNC'S IMPLICATED IN PHILIPS DISPUTE WITH EUROPEAN  
METALWORKERS FEDERATION

1. SUMMARY: LEADERS OF THE BRUSSELS-BASED EUROPEAN METALWORKERS FEDERATION (EMF) REPORT THAT WORKERS AT PHILIPS ELECTRIC INSTALLATIONS THROUGHOUT EUROPE WILL SOON TAKE STEPS AT "THE SHOP FLOOR LEVEL," WHICH COULD INCLUDE STRIKE ACTION, TO PROTEST THE DUTCH-OWNED COMPANY'S UNEXPECTED CANCELLATION OF A TOP LEVEL MAY 30 MEETING BETWEEN COMPANY OFFICIALS AND REPRESENTATIVES OF THE EMF AT EINDHAVEN, NETHERLANDS. THE MEETING, THE FIFTH IN A SERIES, WAS ABRUPTLY CANCELLED WHEN THE COMPANY LEARNED THAT AMERICAN DANIEL BENEDICT, ASSISTANT GENERAL SECRETARY OF THE INTERNATIONAL METALWORKERS FEDERATION (EMF), WAS TO BE A MEMBER OF THE EMF DELEGATION. THE COMPANY CLAIMED THAT BENEDICT'S PRESENCE VIOLATED A PRIOR

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 EC BRU 05091 100219Z

EMF-PHILIPS AGREEMENT TO LIMIT TALKS TO THE EUROPEAN

LEVEL. THE EMF CONTENTS THAT PHILIPS HAS SUCCUMBED TO HEAVY PRESSURE FROM OTHER MULTINATIONAL COMPANIES TO BREAK OFF THE TALKS AND THAT THE COMPANY'S OBJECTION TO BENEDICT IS A "FALLACIOUS PRETEXT" FOR DOING SO. END SUMMARY.

2. ON JUNE 5, EMF GENERAL SECRETARY KOPKE TOLD THE MISSION LABOR ATTACHE THAT THE EMF HAS "HARD EVIDENCE" INDICATING THAT THE PHILIPS DECISION TO CANCEL THE MAY 30 MEETING BETWEEN REPRESENTATIVES OF THE COMPANY AND THE EMF WAS THE RESULT OF EXTREMELY HEAVY PRESSURES FROM OTHER MNC'S WHICH ARE SERIOUSLY CONCERNED WITH ORGANIZED LABOR'S INCREASING CAPACITY TO NEGOTIATE AT THE INTERNATIONAL LEVEL. THE UNEXPECTED DECISION TO CANCEL WAS ANNOUNCED BY THE COMPANY AT A PREPARATORY MEETING OF THE EMF DELEGATION IN EINDHOVEN ON MAY 29 AFTER COMPANY OFFICIALS LEARNED THAT BENEDICT OF THE GENEVA-BASED INTERNATIONAL METALWORKERS FEDERATION WAS LISTED AS AN ADVISOR TO THE EMF DELEGATION FOR THE TALKS. THE COMPANY CLAIMED THAT BENEDICT'S PRESENCE VIOLATED A PRIOR EMF-PHILIPS AGREEMENT THAT THE SCOPE OF THE TALKS WOULD BE LIMITED TO THE EUROPEAN LEVEL. THE EMF HAS CHARGED THAT THE REFERENCE TO BENEDICT WAS A "FALLACIOUS PRETEXT" FOR MEETING THE DEMANDS OF OTHER MNC'S TO BREAK OFF THE TALKS.

3. PURSUANT TO THE CANCELLATION, THE EMF ISSUED A STRONGLY-WORDED PRESS COMMUNIQUE STATING THAT "THE WORKERS OF PHILIPS PWAFTS, THEIR WORKS COMMITTEES AND TRADE UNION REPRESENTATIVE ARE INDIGNANT OVER THE STUBBORN AND INFLEXIBLE ATTITUDE OF THE MANAGEMENT AND THE REFJECTION OF ALL ATTEMPTS TO FIND A WORKABLE COMPROMISE, BY THIS LARGEST MULTINATIONAL COMPANY IN THE EUROPEAN ELECTRICAL ENGINEERING INDUSTRY." THE COMMUNIQUE ALSO STATED THAT "THE REFUSAL SHOWS THAT THE LEADERSHIP OF PHILIPS IS OPPOSED TO DISCUSSING THE EFFECTS OF EMPLOYMENT AND WORKING CONDITIONS OF TRANSFERS OF PRODUCTION OUTSIDE THE EUROPEAN COMMUNITY."

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 EC BRU 05091 100219Z

4. ACCORDING TO THE COMMUNIQUE, THE AGENDA FOR THE MAY 30 MEETING, WHICH HAD BEEN APPROVED BY A JOINT EMF-PHILIPS COMMITTEE LAST NOVEMBER, INCLUDED A SURVEY OF THE PERSONNEL SITUATION IN PHILIPS' EUROPEAN PLANTS ENTAILING DISCUSSIONS ON WORKING HOUR REDUCTIONS AND POSSIBLE RESTRUCTURING OF PLANT OPERATIONS. A REVIEW OF COMPANY POLICIES CONCERNING THE ORGANIZATION OF WORK IN PLANTS WAS ALSO ON THE

AGENDA.

5. THE EMF COMMUNIQUE CITED THE CURRENT LOCK OUT OF 1200 WORKERS AT THE PHILIPS PLANT IN BARCELONA AS INDICATIVE OF THE COMPANY'S ANTI-TRADE UNION POSTURE IN A NUMBER OF EUROEPAN COUNTRIES. IT STATED THAT THE LOCK OUT AND POLICE PERSECUTION OF ACTIVE UNIONISTS ON THE INITIATIVE OF PLANT MANAGEMENT IN BARCELONA "IS A FLAGRANT CONTRADICTION OF THE SOCIAL IMAGE THAT PHILIPS SO OFTEN TRIES TO IMPRESS UPON PUBLIC OPINION."

6. IN ADDITION TO BENEDICT AND KOPKE, THE EMF DELEGATION FOR THE MAY 30 TALKS INCLUDED TOP METAL-WORKER UNION LEADERS REPRESENTING PHILIPS WORKERS IN BELGIUM, FRANCE, GERMANY, GREAT BRITAIN, ITALY, THE NETHERLANDS AND SCANDINAVIA. KOPKE TOLD US THAT THE DELEGATION DECIDED IN EINDHOVEN THAT SHOP-BASED MEASURES SHOULD BE TAKEN BY EMF-AFFILIATED UNIONS AT ALL PHILIPS INSTALLATIONS THROUGHOUT EUROPE TO PROTEST THE COMPANY'S ACTION. HE SAID THAT THE MEASURES COULD INCLUDE STRIKE ACTION DEPENDING UPON THE COMPANY'S RESPONSE TO THE EMF'S CALL FOR RENEWED TALKS BASED ON MUTUAL RESPECT FOR THE RIGHTS OF BOTH SIDES TO NAME THEIR REPRESENTATIVES. GREENWALD

LIMITED OFFICIAL USE

NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** LABOR RELATIONS, MEETING DELEGATIONS, LABOR UNIONS, LABOR DISPUTES  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 09 JUN 1975  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** SmithRJ  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1975ECBRU05091  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Film Number:** D750201-0326  
**From:** EC BRUSSELS  
**Handling Restrictions:** n/a  
**Image Path:**  
**ISecure:** 1  
**Legacy Key:** link1975/newtext/t19750666/aaaachth.tel  
**Line Count:** 139  
**Locator:** TEXT ON-LINE, ON MICROFILM  
**Office:** ACTION EUR  
**Original Classification:** LIMITED OFFICIAL USE  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 3  
**Previous Channel Indicators:** n/a  
**Previous Classification:** LIMITED OFFICIAL USE  
**Previous Handling Restrictions:** n/a  
**Reference:** n/a  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** SmithRJ  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 14 APR 2003  
**Review Event:**  
**Review Exemptions:** n/a  
**Review History:** RELEASED <14 APR 2003 by ElyME>; APPROVED <28 OCT 2003 by SmithRJ>  
**Review Markings:**

Margaret P. Grafeld  
Declassified/Released  
US Department of State  
EO Systematic Review  
06 JUL 2006

**Review Media Identifier:**  
**Review Referrals:** n/a  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** MNC'S IMPLICATED IN PHILIPS DISPUTE WITH EUROPEAN METALWORKERS FEDERATION  
**TAGS:** ELAB, EGEN, EEC, EMF, PHILIPS ELECTRIC, (BENEDICT, DANIEL)  
**To:** STATE  
**Type:** TE  
**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 06 JUL 2006